

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: CORNERSTONE ENERGY, INC.	DOCKET NO. CGP-02-4
	CERTIFICATE NO. G-0016

CERTIFICATE

(Issued September 26, 2001)

On June 18, 2002, Cornerstone Energy, Inc. (Cornerstone), f/k/a Applied Energy Solutions, Inc., filed an application requesting the issuance of a certificate as a competitive natural gas provider (CNGP) by the Utilities Board (Board). The Board's rules at 199 IAC 2.2(18) and 19.14 establish the filing requirements for the issuance of a certificate. On September 4, 2002, the Board notified Cornerstone that the application was complete and the 90-day review period had begun.

The Board reviewed the information provided by Cornerstone and is issuing an order concurrently with this certificate approving the application for a certificate as a competitive natural gas provider. Cornerstone has acquired the competitive natural gas business currently belonging to Aquila, Inc., and will begin operation on September 30, 2002. On that date, Cornerstone will become the successor in interest of Aquila's competitive natural gas business in seven Midwestern states, including Iowa, and will be required to honor the contractual obligations pursuant to that business. Cornerstone will be providing competitive natural gas service to both small and large volume customers as defined in 199 IAC 19.14(1).

Iowa Code § 476.87 requires that a competitive natural gas provider or aggregator must reasonably demonstrate managerial, technical, and financial capability sufficient to obtain and deliver the services it proposes to offer. The Board in 199 IAC 2.2(18) and 199 IAC 19.14 established the filing requirements for a CNGP to obtain a certificate. Based on a review of Cornerstone's application, the Board found that Cornerstone has reasonably demonstrated the managerial, technical, and financial capability sufficient to obtain and deliver the services it proposes to offer. Additionally, the Board found that no additional conditions should be placed on the certificate.

IT IS THEREFORE ORDERED:

This certificate as a competitive natural gas provider, issued pursuant to Iowa Code § 476.87, authorizes Cornerstone Energy, Inc., to furnish natural gas services as a marketer or aggregator to large and small volume customers in Iowa.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 26th day of September, 2002.